

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TENNESSEE**

**MARY PHILLIPA SLEDGE, MARY JANE
PIDGEON SLEDGE TRUST, and PIDGEON SLEDGE FAMILY
LIMITED PARTNERSHIP**

Plaintiffs,

v.

Civ. 2:13-cv-2578

**INDICO SYSTEM RESOURCES, INC. and
CLEAL WATTS, III**

Defendants.

SECOND DECLARATION OF MARY PHILLIPA SLEDGE

I, Mary Phillipa Sledge, pursuant to the provisions of 28 U.S.C. §1746, do hereby declare:

1. I am an adult resident citizen of Memphis, Tennessee. I have personal knowledge of the facts set forth herein and I am willing to testify to the same if called upon to do so.
2. My name is Mary Phillipa Sledge, and I am a Tennessee resident. At the inception of my communications with Cleal Watts, III, I told him that both my mother and I were residents of Memphis.
3. Cleal Watts, III in his Declaration [Doc. No. 17-1] claims that when he “called my “901” cell phone number, “[he] did not know whether she was in Tennessee or not.” [Doc. No. 17-1, ¶ 4] While on occasion this may have been true due to the nature of cell phones, most of the time Watts knew that I was in Memphis when he called my cell phone. It was not unusual during this period for Watts and I to talk several times per day. In addition to the gold

investment, Watts and I developed what appeared to me to be a friendship. In part because Watts claimed that he was a physician, I often discussed with him details of the day concerning my care for my mother who was homebound in Memphis. Many of the times Watts telephoned me on my 901 cell phone, he knew that I was in Memphis because of our earlier conversations on that same day or on the days preceding the call. Many of Watts's fraudulent representations described in my prior Declaration [Doc. No. 14] were made during these conversations when he knew that I was in Memphis.

4. At the time of and/or very shortly after many of these calls, Watts emailed many of the fraudulent documents described in my previous Declaration [Doc. No. 14] to me knowing that I was in Memphis at the time of sending the emails. While I do have a phone that is capable of receiving emails and may have checked some emails remotely, all of the emails sent by Watts to me were also received by me at my home in Memphis.

5. In addition to the documents attached to my previous Declaration [Doc. No. 14], there is additional documentation demonstrating that Watts knew that my mother and I resided in Memphis.

6. On December 25, 2011, I emailed pictures to him of my sister and of my family's Christmas tree that I took at my mother's Memphis home while we were celebrating Christmas Eve at our mother's Memphis home. I also called him that day telling him that we were at our mother's home celebrating Christmas. [See December 25, 2011 email, attached as Exhibit 1 hereto]

7. On March 7, 2012, I sent Watts an email directing him to wire funds for the MJPS Trust to an account at First Tennessee, located in Memphis, TN. The email also invites Watts to

call me at my “901” cell phone number with any questions. [See March 7, 2012 email, attached as Exhibit 2 hereto]

8. On April 25, 2013, I sent an email to Watts regarding a piece of medical equipment that he had arranged to order for my mother. The email requests that he arrange for shipment of the equipment to my mother’s home in Memphis, and contains my mother’s address and my “901” telephone number. [See April 25, 2013 email, attached as Exhibit 3 hereto]

9. At all times, Watts knew that my mother and I were residents of Memphis.

10. In their Reply, the Defendants included two emails from me with references to Kentucky. The first email is dated March 23, 2012, and stated the following:

Doc
I’m on plane headed for Paris then Minneapolis then Louisville.
Been up 24 hrs already and just beginning the main voyage home.
Whew
Anyway
Looks like Monday we will need the wire for \$450k to Spencer
At some point today I will wire you info
Hope all good on your end
I’m wiped out
Thank you
Phillipa
Tried to call but cell phone is restricted
UNREAL SECURITY measures

11. Defendants are attempting to use the phrase “main voyage home” in the third line to show that Watts *might* have believed from this email that I was a Kentucky resident. This is not correct. The “main voyage home” refers to my return to the United States from a trip I had made to India. This trip began from my true home in Memphis. As mentioned in the Plaintiffs’ Response, the Sledge family had business interests in Kentucky consisting primarily of horse operations. On my return from India, I flew into Kentucky to check on those interests. I spent

four days in Kentucky, before returning to Memphis. Watts knew that I was a Tennessee resident and that I did not reside in Kentucky.

12. The second email that Defendants point to is a May 24, 2013 email, claiming that it contains a “signature block” listing a “502” area code phone number as my “primary contact information” [*See* Reply p. 3, Declaration of Cleal Watts, III (“Watts Dec.”) Exhibit B].

13. As an initial point, the “502” number listed was not, nor has it ever been my primary telephone number, nor was my intention that this should be a “signature block”. My primary telephone number was the “901” number that I had given to Watts and which was the one that he used for most of his telephone calls to me. At the time of this email, I was typically carrying two cell phones with me, the “901” phone, which was my primary number, and this “502” phone. The “502” phone had the capacity to receive emails, but my “901” phone at the time did not have that capacity.

14. I put the “502” number at the bottom of some of my outgoing “gmail.com” messages because at the time I believed, mistakenly, that I had to put that number on the emails because it was the only phone that could receive emails. The “502” number was only listed on a very small number of my “gmail.com” messages. My “aol.com” email account, which was my primary email and the one that Watts primarily used, did not have the “502” number on it.

15. My “502” number was very rarely called by Watts or anyone else for that matter. Usually, the only time I received calls on the “502” number would be on the occasional times when the voice mail box on my “901” phone was full.

16. Watts represented to me on multiple occasions that there were several other investors in the particular gold dust purchase from Ghana in which Plaintiffs had invested. He said that Watts himself was an investor. At one point, Watts gave me the name of one of the

other investors, but told me that he could not divulge the names of the other investors. He would also routinely represent to me that the status of the group's investment would be in jeopardy, if I did not supplement my family's investment with smaller increments to finance alleged legal counsel in Ghana and other charges.

17. Following are some of the specific statements that Watts made about the other investors in the alleged gold dust investment:

On January 6, 2013, Watts left me a voicemail telling me that he had another source of funds for the gold investment, totaling four sources. On this voicemail, he said that he also has a verbal commitment for funds from an investor in Hong Kong.
On May 21, 2013, Watts left me a voicemail in which he indicated that he was forcing the "Israelis" to cash out of the investment. He also said the "lady's partners in Chicago" are coming up with cash and that they were having to liquidate securities to raise cash to join the investment.
On May 24, 2013, Watts left me a voicemail where he discussed how it may be difficult to get "funding partners" in the United States to wire money during the holiday weekend. Watts said if the funding partners are at Bank of America, they could do an electronic transfer even on the weekend and then he can get a "commit for wiring" after the holiday weekend.
On June 11, 2013, Watts left me a voicemail where he explained that his "manager" in Freetown has been able to raise \$60,000 and is working to raise more. He further states that his "emissary" is talking with another investment to raise an additional \$30,000.
On June 26, 2013, Watts left me a voicemail where he explains that his "manager" is helping his "emissary" to gather larger amounts of money and that they will be meeting with more investors. He further said that a potential investor is flying in from France tomorrow and that most of the people they are "going to finish up with" are at the United Nations.
At the end of June 2013, I had a telephone conversation with Watts during which he told me that he is working to raise additional money for our investment, that there is a Chicago lady who may come through, and that his "manager" is going to Freetown to get more.
Around this same time, I had a telephone conversation with Watts during which he told me that the other investors in the gold shipment participated at the same level that I did, that they "paid their 20%" just like me, and that he is still working to find even more investors.
On June 28, 2013, I had a telephone conversation with Watts, during which he told me that he needed an additional \$70,000 to complete one shipment. During this call, he described his "manager's" efforts going from country to country to raise money for the gold investment. Watts said he has a friend from France who may be a source of funds, and that

others were headed to Sierra Leone to raise money. Watts said there were prospects in Canada and Hong Kong, as well.

On July 1, 2013, I had a telephone conversation with Watts, where he complained that the "emissary's" friend from France had only provided \$25,000, instead of \$29,000. I asked Watts if all of the people we were dealing with were trustworthy. He told me, "oh yeah, they're putting up their own money." The "emissary", Watts said, has already spent his own money several times, as has their "manager."

I certify under penalty of perjury that the foregoing is true and correct. Executed on this
30 day of January, 2014.



MARY PHILLIPA SLEDGE

EXHIBIT 1

To Second Declaration
of Mary Phillipa Sledge

From: mpsjazzman <mpsjazzman@aol.com>
To: Dr. Cleal Watts <sami@usisr.com>
Subject: Angel came down from heaven yesterday
Date: Sun, Dec 25, 2011 12:44 am
Attachments: photo.jpg (199K)

Sent from my iPhone

1 Attached Images



S 00404

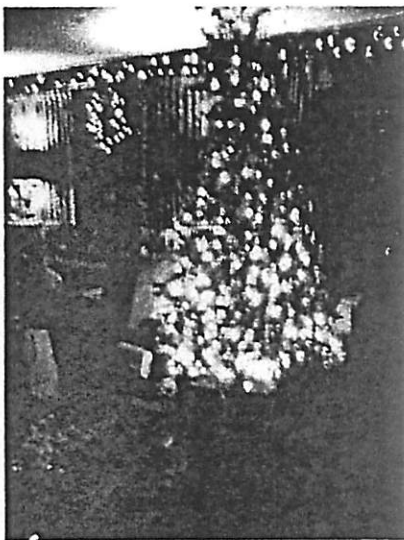


S 00405

From: mpsjazzman <mpsjazzman@aol.com>
To: Dr. Cleal Watts <sami@usisr.com>
Date: Sun, Dec 25, 2011 12:51 am
Attachments: photo.jpg (211K)

Sent from my iPhone

1 Attached Images



S 00406



EXHIBIT 2

To Second Declaration
of Mary Phillipa Sledge

From: Dr. Cleal Watts (Doc) <sami@usisr.com>
To: MPS-BillFr <mpsjazzman@aol.com>
Subject: Fwd: Wiring of Funds
Date: Fri, Mar 2, 2012 2:49 am

I tried to double check with you on this. I sent the money yesterday for your mom, if you need anything else please let me know. conformation to follow.

Doc

----- Original Message -----
Subject: Wiring of Funds
Date: Thu, 1 Mar 2012 14:03:39 -0600
From: Sammie Layer <sledgecoke@pidgeonsledge.com>
To: sami@usisr.com

Dr. Watts,

I am following up on the e-mail that I sent to you Tuesday, February 28th (see below). I am informed by an agent with First Tennessee that the funds have not yet made it into the account. If you have not done so, please wire the funds as soon as possible.

"Please wire from the Mary Jane Pidgeon Sledge trust investment the sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000) as follows:

First Tennessee Bank

Memphis, TN

Routing No. [REDACTED]

Account Name: Pidgeon Roost Farm, Inc.

Account No. [REDACTED]

Please confirm the completion of the transaction via e-mail.

You may call me at 901-[REDACTED] with any questions.

Thank you,

Phillipa"

S 00119

EXHIBIT 3

To Second Declaration
of Mary Phillipa Sledge

From: mpsjazzman <mpsjazzman@aol.com>
To: Dr. Cleal Watts <sami@uslar.com>
Subject: Address for equipment
Date: Thu, Apr 25, 2013 5:35 pm

Dear Doc:
When you can, please ship via Fedex, acct no. 198149713

2nd day
Indirect sig required to

██████████ Cove
Memphis, TN 38117
901-██████████

Fedex will come to your door and pick up.
Pls call me with any questions.
Thx
Phil

Sent from my iPhone

S 00472